

SCHOOL BUDGET REVIEW COMMITTEE
Summary of Hearing Action
December 14, 2009

The School Budget Review Committee met in regular session to conduct hearings on Monday, December 14, 2009, at the Department of Education, ICN Room, Second Floor, Grimes State Office Building, 400 E. 14th St., Des Moines, Iowa 50319-0146.

- 1. Committee Informational Items.** The committee reviewed decisions from the September 14, 2009, hearings. House File 687 amended Iowa Code subsection 257.31(2) related to the annual SBRC report to the legislature and replaced the report with information posted to the website after each SBRC hearing session.
- 2. Hamburg Community School District.** The committee accepted the plan provided by the district and directed the district to file all future CAR-COA reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause.
- 3. St. Ansgar Community School District.** The committee denied the request for modified allowable growth for the 2009-2010 school year in the amount of \$81,991 for costs associated with students enrolling out-of-state under an agreement who were not present to be included in the previous year's certified enrollment count.
- 4. Manson-Northwest Webster Community School District.** The district withdrew its request.
- 5. Central City Community School District.** The committee approved modified allowable growth for the 2009-2010 school year in the amount of \$150,543 for costs related to flooding.
- 6. Glenwood Community School District.** The committee approved modified allowable growth for the 2009-2010 school year in the amount of \$42,889 for initial staffing of a new building and in the amount of \$208,797 to furnish and equip the new building. The committee denied modified allowable growth in the amount of \$53,418 for the additional kindergarten teacher and in the amount of \$97,639 for district-wide new employees. The committee tabled the request for modified allowable growth for an accounting adjustment until the Department can study the issue.
- 7. Davenport Community School District.** The committee approved modified allowable growth for the 2009-2010 school year in the amount of \$42,139 to eliminate an operating deficit in the discontinued Day Care Fund and also to transfer \$62,480 from the statewide-penny/SILO fund to the Day Care Fund to pay the remaining balance on the construction contract.
- 8. Albia Community School District.** The committee accepted the plan provided by the district and directed the district to file all future CAR-COA reports in the manner and by

the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause.

9. Colo-Nesco Community School District. The committee accepted the plan provided by the district and directed the district to file all future CAR-COA reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause.

10. Fremont Community School District. The committee did not accept the plan provided by the district and directed the district to re-submit a plan that gives specific sequential steps with timelines. The committee directed the district to file all future CAR-COA reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause.

11. Marcus-Meriden-Cleghorn Community School District. The committee did not accept the plan provided by the district and directed the district to re-submit a plan that gives specific sequential steps with timelines, including the prerequisite steps to ensure data quality and timeliness. The committee directed the district to file all future CAR-COA reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause.

12. Sheldon Community School District. The committee accepted the amended plan provided by the district and directed the district to file all future CAR-COA reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The committee directed the district to resubmit within 4-6 weeks its written plan as amended during the hearing.

13. Emmetsburg Community School District. The committee approved use of General Fund unexpended fund balance for the 2009-2010 school year in the amount of \$320,662 for architect fees and site survey fees for a completion of a construction project approved by the voters.

14. Walnut Community School District. The committee accepted the plan provided by the district and directed the district to file all future CAR-COA reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause.

15. Prairie Valley Community School District. The district withdrew its request.

16. North Polk Community School District. The committee accepted the plan provided by the district and directed the district to file all future CAR-COA reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The committee directed the district to file its 2008-2009 CAR-COA within seven calendar days (by December 21, 2009).

If the district has not filed and certified its CAR-COA by December 21, 2009, the Committee directed the Director of the Department of Management to withhold state aid to the district until the district has uploaded and certified its FY09 CAR-COA. The state aid will be withheld and paid with the following month's state aid. For example, if the CAR-COA is not filed by December 21, 2009, the January state aid payment will be withheld until February if the district has uploaded and certified its FY09 CAR-COA by the time of the January state aid payment, which is January 15th. If not, both January and February state aid will be withheld until March if the district has uploaded and certified its FY09 CAR-COA by the time of the February state aid payment, which is February 15th, and so on.

The district did not attempt any uploads in the production or test sites during the grace period granted by the SBRC. The district's state aid for January will be withheld, at a minimum.

17. Waukee Community School District.

The committee accepted the amended plan provided by the district and directed the district to file all future CAR-COA reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. The committee directed the district to resubmit within 4-6 weeks its written plan as amended during the hearing. The committee directed the district to file its 2008-2009 CAR-COA within seven calendar days (by December 21, 2009). If the district has not filed and certified its CAR-COA by December 21, 2009, the Committee directed the Director of the Department of Management to withhold state aid to the district until the district has uploaded and certified its FY09 CAR-COA. The state aid will be withheld and paid with the following month's state aid. For example, if the CAR-COA is not filed by December 21, 2009, the January state aid payment will be withheld until February if the district has uploaded and certified its FY09 CAR-COA by the time of the January state aid payment, which is January 15th. If not, both January and February state aid will be withheld until March if the district has uploaded and certified its FY09 CAR-COA by the time of the February state aid payment, which is February 15th, and so on.

The district completed and certified its FY09 CAR-COA during the grace period granted by the SBRC. The district's state aid payment will not be withheld.

18. Colfax-Mingo Community School District. The committee accepted the plan provided by the district and directed the district to file all future CAR-COA reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause. After discussion and review of precedence, the committee denied modified allowable growth for the 2009-2010 school year in the amount of \$22,800 for start-up costs associated with the DMACC/Jasper Count Career Academy.

19. Baxter Community School District. After discussion and review of precedence, the committee denied modified allowable growth for the 2009-2010 school year in the amount of \$34,200 for start up costs associated with the DMACC/Jasper County Career Academy.

- 20. Newton Community School District.** After discussion and review of precedence, the committee denied modified allowable growth for the 2009-2010 school year in the amount of \$174,800 for start up costs associated with the DMACC/Jasper County Career Academy.
- 21. Ames Community School District.** The committee denied modified allowable growth for the 2009-2010 school year in the amount of \$934,846 to eliminate an interfund loan to the School Nutrition Fund.
- 22. Bellevue Community School District.** The committee denied modified allowable growth for the 2009-2010 school year in the amount of \$21,926 for start up costs of a concurrent enrollment program.
- 23. Algona Community School District.** The committee denied modified allowable growth for the 2009-2010 school year in the amount of \$91,487 for costs incurred related to a buyout of a former superintendent's contract.
- 24. Fairfield Community School District.** The committee received the district's corrective action plan and approved modified allowable growth for the 2009-2010 school year in the amount of \$429,630, adjusted for any changes to the special education balance. The committee directed the district to submit monthly reports to its board demonstrating the financial position of the district in relationship to its certified budget control lines and to maximum spending authority. These reports shall be available to the SBRC and to the auditor on request.
- 25. Woden-Crystal Lake Community School District.** The district requested a feasibility study. The district provided an update and response to the options from the feasibility study. This was an informational item and no action was required.
- 26. Pomeroy-Palmer Community School District.** The committee approved modified allowable growth for the 2009-2010 school year in the amount of \$15,383 for costs associated with transporting a regular education student to a court-placed day program outside the district.
- 27. Clarksville Community School District.** The committee approved modified allowable growth for the 2009-2010 school year in the amount of \$13,681 for costs associated with asbestos abatement.
- 28. Tripoli Community School District.** The committee approved modified allowable growth for the 2009-2010 school year in the amount of \$6,417 for costs associated with asbestos abatement and air quality.
- 29. Washington Community School District.** The committee accepted the plan provided by the district and directed the district to file all future CAR-COA reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause.

30. Moravia Community School District. The committee accepted the plan provided by the district and directed the district to file all future CAR-COA reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause.

31. North Central Community School District. The committee accepted the plan provided by the district and directed the district to file all future CAR-COA reports in the manner and by the date prescribed by the Department of Education, including extensions granted for unusual circumstances that meet the definition of good cause.

32. Supplementary Weighting List. The committee certified to the department of management the supplementary weightings pending final Department review.

33. Transportation Assistance Grants-in-Aid. The committee directed the Department to distribute the transportation assistance aid to the eligible districts on an equitable basis.

34. Special Education Balances. The committee approved modified allowable growth for the special education deficit for eligible districts that have made requests, certified the positive and negative balances of funds for each school district to the department of management subject to final department review, and directed the director of the department of management to make the payments to school districts as outlined in Iowa Code subsection 257.31(14)“b”.

35. Special Education Weightings. The committee accepted the recommendation of the director of the Department of Education relating to the special education weighting plan which is to make no change at this time.

36. SBRC Rules Update. The committee discussed the need to amend the SBRC rules. The Department will bring a few discussion items over the next several sessions related to precedence on each issue that Code allows districts or AEAs to come before the SBRC. This is a discussion item and no action is required.

37. SBRC Discussion Items. The committee advised the Department on guidance to provide to districts and AEAs regarding exhibits related to the loss of miscellaneous income, specifically Educational Excellence Phase I, and provided direction on recommendations on the issue.

The proposed SBRC rules amendment defines unusual or unique as:

“*Unique*” is defined as highly unusual, extraordinary; unparalleled.

“*Unusual*” is defined as not usual or common; rare; constituting or occurring as an exception; not ordinary or average.

The committee and the Department looked at precedence on similar issues. The SBRC in previous action has established that unusual or unique is related to the impact on the individual district and not the circumstances that affect all districts. For example, the high energy costs approximately 2 years ago, were deemed to not qualify for unusual or unique

even though the weather pattern causing the high energy costs had not occurred in more than half a century. All districts suffered from the same high energy costs and therefore the issue was a legislative issue and not an SBRC authorized issue. In other previous action the SBRC has established that the legislature terminating funding for a program earlier than anticipated by districts, even when districts had outstanding debt to be repaid from that funding, was not unusual or unique. The committee denied modified allowable growth modified allowable growth for loss of miscellaneous income due to budget cuts in school technology funding. In previous action the SBRC has established that it does not have authority to counteract a legislative decision.

The committee discussed its own rule related to cash reserve levy limits to determine if it wanted to move forward with an amendment to that rule after the enactment of House File 820. HF820 has adjusted downward through legislation the SBRC calculation using 25 percent to a calculation using 20 percent, beginning with 2013. No action was taken.